



# **MIC Electronics Limited**

## **31<sup>st</sup> Annual Report 2018-19**

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**Notice** is hereby given that the 31<sup>st</sup> Annual General Meeting of MIC Electronics Limited will be held on Saturday, 21<sup>st</sup> day of December, 2019, at 10.30 A.M. at the registered office of the Company situated at A4, Electronic Complex, Kushaiguda, Hyderabad, Telangana-500 062, to transact the following business:

**Ordinary Business**

**Item No: 1: Adoption of Financial Statements**

**To receive, consider and adopt:**

- a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31<sup>st</sup>, 2019 together with the Reports of the Board of Directors and the Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31<sup>st</sup>, 2019 together with the Report of the Auditors thereon.

**Item No: 2: Appointment of Mr. Vishnu Ravi as Executive Director**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 or any amendment thereto or modification thereof, the consent of the members of the company be and is hereby accorded to appoint Mr. Vishnu Ravi (DIN: 01144902) as Executive Director of the Company, not liable to retire by rotation, for a period of 3 years at a Remuneration of Rs. 50,000 per month/- from 28<sup>th</sup> November 2019 to 27<sup>th</sup> November 2022.”

**Item No: 3: Appointment of Mr. Siva Lakshmanarao Kakarala as Non-executive Director**

To consider and, if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED THAT Mr. Siva Lakshmanarao Kakarala (DIN: 03641564) who was appointed as an Additional Director of the Company effective August 7<sup>th</sup>, 2019 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and has consented to act as Non- Executive Director of the Company, be and is hereby appointed as a Director of the Company.”

**Item No: 4: Appointment of Mr. Medasani Srinivas as a Independent Director**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Medasani Srinivas (DIN: 00827476) who was appointed as Additional Director of the Company effective August 7<sup>th</sup>, 2019 and who holds office up to the date of this Annual General Meeting and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed there under read with Schedule IV to the Act, including any amendment, modification or variation thereof, Mr. Medasani Srinivas, who meets the criteria for independence as provided under Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing August 7<sup>th</sup>, 2019 to August 6<sup>th</sup>, 2024.”

Dated : 28.11.2019  
Place : Hyderabad

Sd/-  
(M S Murali Krishnan)  
Company Secretary

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report.
2. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Members/ proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
5. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
6. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 16<sup>th</sup> December, 2019 to 21<sup>st</sup> December, 2019 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate any change in their address and / or bank mandates to their Depository Participants with whom they are maintaining their demat accounts immediately. The Members holding shares in physical form are requested to advise any change of address and / or bank mandate immediately to M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad – 500018.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad –500 018.
10. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
11. Members holding shares in physical form, identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Members desiring any information relating to the accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.

13. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules issued there under, Companies can serve Annual Reports and other communications through electronic mode to those shareholders who have registered their email address either with the Company or with the Depository. It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow shareholders to contribute towards a green environment. This is a golden opportune for every shareholder of MIC to contribute to the cause of Green Initiative. Members who have not registered their e-mail address with the Company are requested to register the same by submitting the letter to Venture Capital and Corporate Investments Pvt., Ltd., 12-10-167, Bharat Nagar, Hyderabad - 500 018. The Members holding shares in electronic form are requested to register their e-mail address with their Depository Participants only. The Members of the Company, who have registered their e-mail address, are entitled to receive communications in physical form, upon request.
14. Copies of the Annual Report 2018-2019 are being sent by electronic mode only to all the Members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2018-2019 are being sent by the permitted mode.
15. In accordance with the provisions of Section 72 of the Companies Act, 2013, members are entitled to make nominations in respect of the Equity Shares held by them, in physical form Members desirous of making nominations may procure the prescribed form from the Registrar & Share Transfer Agent Venture Capital and Corporate Investments Pvt. Ltd., 12-10-167, Bharat Nagar, Hyderabad - 500 018 and have it duly filled and sent back to them.
16. In compliance with the provisions of Section 108 of the Act and the Rules framed there under, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
17. The facility for voting through electronic voting system or ballot or polling paper shall be made available at the Annual General Meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
18. The Notice of the 31<sup>st</sup> AGM and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
19. Members may also note that the Notice of the 31<sup>st</sup> AGM and the Annual Report 2018-19 will be available on the Company's website [www.mic.in](http://www.mic.in).
20. The board of directors has appointed S R Vattikuti & Associates, Practicing Company Secretaries (C.P No. 13966) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
22. E- voting cut of date is 14<sup>th</sup> December 2019, E-voting opens from 18<sup>th</sup> December 2019 at 9.00 AM and ends on 20<sup>th</sup> December 2019 at 5.00 PM.
23. The instructions for e-voting are as under:  
Instructions for shareholders voting electronically are as under:
  - (i) The voting period begins on 18<sup>th</sup> December, 2019 at 9.00 hours IST and ends on 20<sup>th</sup> December, 2019 at 17.00 hours (IST). During this period shareholders' of the Company, holding shares either in physical form or

in dematerialized form, as on the cut-off date is 14<sup>th</sup> December 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<ul style="list-style-type: none"> <li>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details	<ul style="list-style-type: none"> <li>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</li> </ul>
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (xxi) Mr. Srinivasa Rao Vattikuti, Practicing Company Secretaries (COP No.13966) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

#### Annexure to the Notice

Details of Directors in accordance with the SEBI (Listing Obligations and Disclosure Regulations, 2015 and Secretarial Standard on General Meeting (SS-2):

Particulars	Details of Directors seeking appointment/reappointment		
Name of the Director	Mr. Vishnu Ravi	Mr. Siva Lakshmanarao Kakarala	Mr. Medasani Srinivas
Director Identification Number	01144902	03641564	00827476

Date of Birth	15-02-1962	06-10-1944	13-04-1962
Date of Appointment	07-08-2019	07-08-2019	07-08-2019
Qualification	M.E (Computer Science) from PSG College of Technology	MSC from Andhra University, MS at USA	M.Tech ( Machine Tool Engineering) from PSG College of Technology
Specific functional areas	e-governance, IT implementation in Power Utilities, and customized BPO services.	Finance & Investments	General Management & Operations
Directorship in other companies.	Cosyn Limited Indo-American Chamber of Commerce Granada Engineers Limited RRK Enterprise Private Limited	Laan Research Private Limited  Laan Resorts & Hotels Private Limited	Spectra Foods & Beverages Private Limited
Committee Memberships in other Companies	I	Nil	Nil
Number of shares held in the Company	Nil	2301000	Nil
Inters-e relationship between the Board members	Nil	Nil	Nil

**Item No. 2**

As the present term of appointment of Mr. Vishnu Ravi (DIN: 01144902) would be expiring on 21<sup>st</sup> December 2019, the Board of Directors have, subject to the approval of the shareholders, appointed Mr. Vishnu Ravi, as Executive Director of the Company with effect from 28th November, 2019 for a period of 3 years.

While appointing Mr. Vishnu Ravi as Executive Director of the Company, the Board of Directors considered his contribution to the overall progress of the Company. The Board is of the opinion that his services should continue to be available to the Company to achieve still greater heights, by appointing him as Executive Director as mentioned in the resolution, subject to the approval of shareholders.

Taking into consideration the duties and responsibilities of the Executive Director, the prevailing managerial remuneration in industry and on the recommendation of the nomination and remuneration committee, the Board at their meeting held on 28th November 2019, approved the remuneration, terms and conditions of the appointment of Mr. Vishnu Ravi, subject to approval of the shareholders on remuneration including minimum remuneration and on terms and conditions given hereunder:

- 1) Salary : Rs. 50,000/- per month.

As the terms of appointment and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act, Central Government approval is not required for this appointment.

Mr. Vishnu Ravi may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.



**Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013:**

- Nature of industry.  
Design, development & manufacturing of LED Video Displays and Lighting Products. Recognized by the Department of Scientific and Industrial Research for its LED technology. MIC has been at the forefront of LED Applications for more than 25 years and acknowledged as the market share leader for Indian LED products.
- Date of commencement of commercial production.  
Commercial Operations of the Company have started during the year 1988.
- Financial performance.  
Performance of the Company for the last three years are as follows:

(Rs. in Crores)

Particulars	2018-19	2017-18	2016-17
Revenue From Operations	4.84	164.17	250.87
Other income	0.66	1.17	2.15
Total income	5.50	165.34	253.02

- Export performance and net foreign exchange earnings.

Export performance of the Company for the last three years is as follows

(Rs. in Lakhs)

Particulars	2018-19	2017-18	2016-17
FOB value of goods exported	Nil	0.69	14.06

- Foreign investments or collaborators, if any - NIL

**Information about the appointee:**

The appointee, an Electrical Engineer with Masters in Computer Science, during his entrepreneurial journey has gained immense insights in modern strategy and management apart from financial controls and operational efficiencies.

**Job Profile and his suitability .**

Mr. Vishnu Ravi has been taking care of drawing up revival strategy apart from managing manufacturing activity and operations.

**Past Remuneration : Not Applicable****Comparative remuneration profile with respect to industry, size of the company:**

The position and person (in case of expatriates the relevant details would be with respect to the country of his origin) Compared to the remuneration profile of position and person with respect to this Industry and size, he deserves the above remuneration.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

Due course of Insolvency Process Resolution plan submitted by Cosyn consortium the same has been approved by NCLT Hyderabad Bench on 31<sup>st</sup> July 2019. Mr. Vishnu Ravi is the Managing Director of Cosyn consortium. Mr. Vishnu Ravi appointed as Director of MIC Electronics Ltd., on 7<sup>th</sup> August, 2019.

## 02 DIRECTOR'S REPORT

To,

The Members,  
MIC Electronics Limited

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP Process") of MIC Electronics Limited ("Company") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT") Hyderabad Bench on 13<sup>th</sup> March, 2018 ("Insolvency Commencement Date"). Mr. Prabhakar Nandiraju was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company. Subsequently, Mr. Prabhakar Nandiraju was confirmed as the Resolution Professional ("RP") by the committee of creditors ("CoC") at their meeting held on 1<sup>st</sup> June 2018. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

The RP invited expressions of interest and submission of a resolution plan in accordance with the provisions of the Code. Out of various resolution plans submitted by Resolution Applicants, the CoC approved the resolution plan submitted by Cosyn Limited consortium. The RP submitted the CoC approved resolution plan to the NCLT on 10<sup>th</sup> December 2018 for its approval and the NCLT, Hyderabad Bench approved the resolution plan submitted by Cosyn Limited consortium on 31<sup>st</sup> July 2018 ("IBC/NCLT Order"). Pursuant to the NCLT order, Cosyn Limited consortium is under process of implementing the Resolution Plan. A new Board was constituted in the current financial year i.e. on 7<sup>th</sup> August, 2019 ("Reconstituted Board" or "Board") and a new management has come into being place. In accordance with the provisions of the Code and the NCLT order, the approved resolution plan is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved.

Members may kindly note that, the Directors of the Reconstituted Board ("Directors") were not in office for the period to which this report primarily pertains. During the CIRP Process (i.e. between 13<sup>th</sup> March 2018 to 31<sup>st</sup> July 2019), the RP was entrusted with the management of the affairs of the Company. Prior to the Insolvency Commencement Date, the erstwhile Board of Directors had the oversight on the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, the rules and regulations framed there under ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations"). The Reconstituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to the Reconstruction of Board.

Members are requested to read this report in light of the fact that the Reconstituted Board and the new management is currently implementing the resolution plan.

### **During the period 1<sup>st</sup> April 2018 to 6<sup>th</sup> August 2019:**

- (a) the management of the affairs of the company were looked into by the Resolution Professional.
- (b) the powers of the Board of Directors company were suspended and exercised by the Resolution Professional.
- (c) be responsible for complying with the requirements under any law for the time being in force.

New Board reconstituted on 7<sup>th</sup> August 2019 with the following new directors:

1. Mr. Vishnu Ravi
2. Mr. Siva Lakshmanarao Kakarala
3. Mr. Medasani Srinivas